



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1903 (1955)

April 12, 1989

SUBJECT: Sale of Suitable Farm Inventory Property

TO: State Directors, District Directors and  
County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify procedures in accepting bids on farm inventory properties. The intended outcome is to receive the highest amount possible from the sale of farm inventory property where the previous owner or operator's rights to purchase have expired.

COMPARISON WITH PREVIOUS AN:

- No previous ANs have been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Farmers Home Administration (FmHA) farm inventory properties will be advertised for sale in accordance with Section 1955.107, "Sale of suitable property (CONACT)" and Section 1955.108 "Sale of surplus property (CONACT)" of FmHA Instruction 1955-C. These farm inventory properties must be offered based on realistic current appraisals, which support trends observed in the local real estate market.

Section 1955.107(c) of FmHA Instruction 1955-C indicates that suitable properties be offered for sale at the lesser of the Capitalization Value or Market Value. This is considered the floor when accepting bids. However, the highest bid will be accepted and the property sold for that amount. The individual who has placed the high bid on suitable farm property must still be considered an operator of not larger than a family size farm after the sale of the property.

If FmHA receives equal bids from individuals who qualify for a credit sale on eligible rates and terms, the local FmHA County Committee will select the purchaser who has the greatest need for farm income and most eligible for farm ownership loan assistance in accordance with Section 1955.107(e) of FmHA Instruction 1955-C.

EXPIRATION DATE: March 31, 1990

FILING INSTRUCTION  
Preceding FmHA  
Instruction 1955-C



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

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If you have any questions, please call Gary West at commercial  
(202) 382-1976 or FTS 382-1976.



NEAL SOX JOHNSON  
Acting Administrator